**NTPC Negotiation with World Bank for Loan**

811. DR. SANJAYA SINH:
SHRI KRISHNA KUMAR BIRLA :
SHRI RAM JATHMALANI:
SHRI RAWIT SINGH:

Will the Minister of POWER AND NON-CQNVENTIONAL ENERGY SOURCES be pleased to state:

(a) whether it is a fact that the National Thermal Power Corporation is negotiating to acquire $ 1 billion dollar loan from the World Bank;

(b) if so, the purpose for which such a huge loan is required;

(c) whether Government have any new plans for the investment of loans in the NTPC; and

(d> if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF POWER AND NON-CON VENTIONAL ENERGY SOURCES {SHRI KALP NATH RAI): (a) to (d) Discussions are being held with the World Bank for a loan of over U. S. $ 1 billion for a shelf of new projects of the National Thermal Power Corporation.

**Relief *to* Investors in Power Generation**

812. DR. YELAMANCHILI SIVAJI: Will the Minister of POWER AND . NON-CONVENTIONAL ENERGY SOURCES be pleased to state :

(a) whether it is a fact that several reliefs are offered to investors to enter into power generation; and

(b) if so, what are the details thereof and with what effect ?

THE MINISTER OF STATE OF THE MINISTRY OF POWER AND NON-CONVENTIONAL ENERGY SOURCES (SHRI KALP NATH RAI): (a) Yes, Sir,

(b) The following major incentives have been offered to encourage private sector participation in electricity generation, supply and distribution:

For both Licensee and Generating Companies, the following is permitted:

— All private companies entering the Electricity Sector hereafter will be allowed a debt-equity ratio of 4:1.

— They can raise upto the minimum of 20 per cent of the total outlay though public issues.

— Promoter's contribution should be at least 11% of the total outlay.

— Not more than 40% of the total outlay can come from Indian Public Financial Institutions.

— To ensure that private entrepreneurs bring in additionality of resources to the sector; they must find 60 per cent of the resources from sources other than public financial institutions.

; — Upto Hundred per cent (100%) foreign equity participation can be permitted for projects set up by foreign private investors.

— The condition of dividend balancing by export earnings which is normally being applied to cases of foreign investment upto 51% equity will not be applicable to such foreign investments in the power sector.

— The rates for depreciation in respect of assets have been liberalised.

— With the approval of the Government, import of equipment for power projects will also be permitted in cases where foreign supplier(s) agency(ies) extend concessonal credit.

The Indian "Electricity Act, ' 1910 and the Electricity (supply) Act, 1948 have been amended to ..bring about . this new legal arid financial environment for private enterprises in the Electricity sector. How-